



UNITED STATES ATTORNEY'S OFFICE EASTERN DISTRICT OF VIRGINIA

ALEXANDRIA NEWPORT NEWS NORFOLK RICHMOND

UNITED STATES ATTORNEY CHUCK ROSENBERG

FOR IMMEDIATE RELEASE:

October 10, 2008

Jim Rybicki
Public Information Officer
Phone: (703) 842-4050 Fax: (703) 549-5202
E-Mail: usavae.press@usdoj.gov
Website: www.usdoj.gov/usao/vae

Former Department of Defense Official and Associate Convicted of Conflict of Interest and Conspiracy Charges

(Alexandria, Virginia) – John D. Villanueva, 45, of Lorton, Virginia, was convicted yesterday by a jury of conspiracy and conflict of interest charges. His co-defendant, James E. Wright, 55, of Sterling, Virginia, had pled guilty to the same charges on Wednesday following the first day of the trial. Chuck Rosenberg, United States Attorney for the Eastern District of Virginia; Joseph Persichini, Jr., Assistant Director in Charge, Federal Bureau of Investigation, Washington Field Office; and, Sharon E. Woods, Director of the Defense Criminal Investigative Service (DCIS), made the announcement. The defendants will be sentenced on January 16, 2009, by United States District Judge Liam O'Grady. Villanueva and Wright each face a maximum penalty of 10 years in federal prison and a \$500,000 fine.

According to court documents, between June 2004 and November 2005, Wright, the former Director, Security and Counterintelligence Directorate, Defense Threat Reduction Agency (DTRA), Fort Belvoir, Virginia, conspired with Villanueva to commit a conflict of interest. Wright, Villanueva, and a third man formed a corporation, VMW & Associates, Inc., to obtain government contract work. When DTRA decided to request proposals for a contract worth approximately \$450,000, Villanueva worked out an agreement with another company for that company to submit a proposal, and if DTRA selected the company for the contract award, the company would subcontract the work to VMW. Wright then took various actions, including acting as the Source Selection Authority who made the final decision to award the contract to the second company. That company then subcontracted all of the work to VMW. Wright never disclosed to other officials at DTRA that he had a financial interest in VMW.

This case was investigated by the FBI and DCIS. Assistant United States Attorney Jack Hanly is prosecuting the case on behalf of the United States.

A copy of this press release may be found on the website of the United States Attorney's Office for the Eastern District of Virginia at <http://www.usdoj.gov/usao/vae>. Related court

documents and information may be found on the website of the District Court for the Eastern District of Virginia at <http://www.vaed.uscourts.gov> or on <http://pacer.uspci.uscourts.gov>.

#